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FM AMEMBASSY PORT OF SPAIN
TO RUEHC/SECSTATE WASHDC 8307
INFO RUEATRS/DEPT OF TREASURY WASHDC
RUEHBR/AMEMBASSY BRASILIA 0093
RUEHBO/AMEMBASSY BOGOTA 1347
RUEHQT/AMEMBASSY QUITO 0440
RUEHZP/AMEMBASSY PANAMA 0286
RUEHML/AMEMBASSY MANILA 0029
RUCNCOM/EC CARICOM COLLECTIVE

UNCLAS PORT OF SPAIN 000590

SIPDIS

SENSITIVE
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TREASURY FOR USED/IBRD, USED/IMF

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [TD](#)

SUBJECT: TRINIDAD & TOBAGO WANTS U.S. WORLD BANK NOMINEE TO WORK FOR REFORM

REF: STATE 73691

SENSITIVE BUT UNCLASSIFIED - HANDLE ACCORDINGLY

¶1. (U) Post conveyed request for GOTT to support U.S. nominee for President of the World Bank Robert B. Zoellick to the Ministry of Foreign Affairs and to Ministry of Finance Permanent Secretary Alison Lewis, who serves as alternate governor of the Bank for Trinidad & Tobago (T&T), on June 4.

¶2. (SBU) In a June 8 follow-up conversation with Embassy Economic Chief, Lewis characterized Mr. Zoellick's nomination as a "sure thing" under the Bank's current governance structure. She said that the GOTT concurred with a recent letter sent to the World Bank U.S. Executive Director by his Brazilian counterpart, who represents T&T on the Executive Board. She described that letter as conveying a willingness to work with Mr. Zoellick but also a desire to see the Bank reformed so that its governance and activities better reflect the needs and views of developing countries. Lewis recounted that the G-24, under T&T's chairmanship at the time, had sent a similar message in response to IMF Managing Director de Rato's nomination. She credited de Rato with having moved the Fund in the desired direction and hoped that Mr. Zoellick would do the same at the Bank.

¶3. (SBU) Lewis described the custom of U.S. and European candidates taking the helm of the Bank and Fund as out of date. Neither praising nor criticizing Mr. Zoellick's qualifications, she said the GOTT would prefer to see these positions filled on the basis of merit, rather than geography, and by candidates who can identify with developing country perspectives.

¶4. (SBU) While professing impatience with countries that ignore IMF and World Bank advice and then blame those institutions when their economies deteriorate, Lewis also voiced concern over the possibility that, unless these institutions reform, developing countries would stop coming to them for support. She cited as disturbing developments the early repayment by Argentina and Brazil of their Bank/Fund loans, Venezuela's announced withdrawal from the institutions, and China's lack of attention to good governance in its growing financial support for developing countries.

¶5. (SBU) COMMENT: While Lewis' response to Mr. Zoellick's nomination was cool, we take at face value her message that T&T is prepared to work with him to address developing countries' concerns with the Bank. The Bank and Fund draw their share of criticism from local academic economists and media, but GOTT financial officials value their good relations with the institutions. In particular, they take pride in T&T's having stuck with an IMF stand-by

arrangement in the early 1990's and maintained sound macroeconomic policies since then, with fourteen consecutive years of positive real GDP growth to show for it. END COMMENT.

AUSTIN